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Jeffrey M. Nelson
Chief Legal Officer

October 30, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of Duke Energy Carolinas, LLC for Approval of the Transfer and
Sale of Property Located in Eden, North Carolina
Docket No. 2018-333-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed Duke Energy Carolinas, LLC ("DEC" or "Company") filing in the above referenced docket. Based on the review ORS does not oppose the filing submitted by the Company for the transfer and sale of property in Eden, NC ("Property") to the City of Eden, North Carolina ("City").

South Carolina Code Ann. § 58-27-1300 requires the Company to obtain permission from the Public Service Commission of South Carolina when the Company wishes to "sell, assign, transfer, lease, consolidate, or merge..." real property with a fair market value in excess of \$1,000,000.

The Property is a tract of vacant land containing an area of approximately 204.75 acres of utility property and is not required for DEC's current utility operations. The Property was originally acquired by DEC in 2015 incidental to its purchase of a nearby tract of land which the Company needed in connection with operations at its Dan River Generating facility. At the same time DEC negotiated a contract ("Contract") with the City whereby the City would be granted a three-year option to purchase the Property for \$1,500,000.

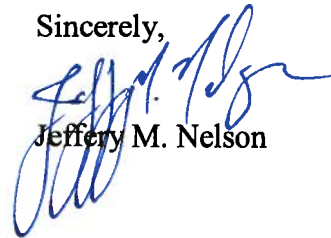
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The Company had the Property appraised by John McCracken & Associates, Inc. and determined the Fair Market Value of the Property to be \$1,085,000. Pursuant to the Contract the City has exercised the option to purchase the Property for \$1,500,000, and, consistent with this arrangement, the Property was not marketed for sale to other parties.

The original cost of the Property being sold will be credited as a reduction of the amount carried upon the books of the Company under Account 101, "Electric Plant in Service." The difference between the sales price and the original cost of the Property will be applied to Account 421.10, "Gain on Disposition of Property".

If you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffery M. Nelson

cc: All Parties of Record (via E-mail)
Joseph Melchers, Esquire (via E-mail)